

ORIGINAL



0000051048

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

2006 JUN -8 P. 3: 32

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES

AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF
ARIZONA-AMERICAN WATER COMPANY,
INC., AN ARIZONA CORPORATION, FOR
AUTHORITY TO IMPLEMENT ARSENIC COST
RECOVERY MECHANISMS FOR ITS AGUA
FRIA WATER, SUN CITY WEST WATER,
HAVASU WATER, AND TUBAC WATER
DISTRICTS

DOCKET NO. W-01303A-05-0280

IN THE MATTER OF THE APPLICATION OF
ARIZONA-AMERICAN WATER COMPANY,
INC., AN ARIZONA CORPORATION, FOR A
DETERMINATION OF THE CURRENT FAIR
VALUE OF ITS UTILITY PLANT AND
PROPERTY AND FOR INCREASES IN ITS
RATES AND CHARGES BASED THEREON FOR
UTILITY SERVICE BY ITS SUN CITY WEST
WATER AND WASTEWATER DISTRICTS.

DOCKET NO. WS-01303A-02-0867

IN THE MATTER OF THE APPLICATION OF
ARIZONA-AMERICAN WATER COMPANY,
INC., AN ARIZONA CORPORATION, FOR A
DETERMINATION OF THE CURRENT FAIR
VALUE OF ITS UTILITY PLANT AND
PROPERTY AND FOR INCREASES IN ITS
RATES AND CHARGES BASED THEREON FOR
UTILITY SERVICE BY ITS MOHAVE WATER
DISTRICT AND ITS HAVASU WATER
DISTRICT.

DOCKET NO. WS-01303A-02-0869

IN THE MATTER OF THE APPLICATION OF
ARIZONA-AMERICAN WATER COMPANY,
INC., AN ARIZONA CORPORATION, FOR A
DETERMINATION OF THE CURRENT FAIR
VALUE OF ITS UTILITY PLANT AND
PROPERTY AND FOR INCREASES IN ITS
RATES AND CHARGES BASED THEREON FOR
UTILITY SERVICE BY ITS ANTHEM WATER
DISTRICT, ITS AGUA FRIA WATER DISTRICT,
AND ITS ANTHEM/AGUA FRIA WASTEWATER
DISTRICT.

DOCKET NO. WS-01303A-02-0870

ARIZONA-AMERICAN WATER
COMPANY'S NOTICE OF FILING
REVISED STEP-ONE ACRM
SCHEDULES FOR ITS
AGUA FRIA WATER DISTRICT

1 **ARIZONA-AMERICAN WATER COMPANY**
2 **AGUA FRIA WATER DISTRICT**
3 **NOTICE OF FILING**
4 **REVISED STEP-ONE ACRM SCHEDULES**

5 Arizona-American Water Company hereby submits revised Step-One ACRM schedules for
6 its Agua Fria Water District. There are two minor adjustments to the initial schedules. The first
7 adjusts the AFUDC rate to the one approved for the Company in Decision No. 67093. The second
8 adjustment is to accept, for this case only, RUCO's adjustment to remove allocated engineering
9 overheads from the amount to be recovered through the ACRM. The net effect of these two
10 adjustments is to reduce the requested Step-One ACRM surcharges to \$1.37 for the monthly
11 minimum charge and \$0.1598 per 1000 gallons to the commodity rate. These are the identical
12 amounts recommended by RUCO in its June 2, 2006, Revised Report in these dockets.

13 As it has stated, Arizona-American believes that its allocated engineering overheads are
14 properly accounted for under the Uniform System of Accounts, a position that Staff supported at the
15 June 1, 2006, Commission open meeting. There is also no policy reason to discourage arsenic-
16 remediation investment by singling out these legitimate costs and excluding them from recovery
17 through the ACRM. However, to eliminate contentious issues, at this time Arizona-American
18 agrees not to recover these engineering overheads until new rates go into effect after its next general
19 rate case for its Agua Fria Water District. Arizona-American's agreement is without prejudice to
20 requesting recovery for similar overheads in a Step One ACRM filing for another district.

1 **RESPECTFULLY SUBMITTED** on June 8, 2006.

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13 Original and 19 copies filed
14 on June 8, 2006, with:

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16 Docket Control
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19 Phoenix, Arizona 85007

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21 Copies of the foregoing
22 mailed on June 8, 2006, to:


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49
50
51 By:

52 
Courtney Appelhans

Line No.	Description	[A] Total Company Dec. 2005	[B] Agua Fria Water Dec. 2005 ¹	[C] Capital Structure Per Decision 67093
1	ASSETS			
2	Utility Plant	\$ 521,206,065		
3	Construction work in progress	53,657,402		
4	Accumulated depreciation	(106,107,261)		
5	Utility plant acquisition adjustment	30,318,303		
6	Other utility plant adjustments	-		
7				
8	Sub-total Utility Plant	\$ 499,074,509		
9				
10	Non-Utility property	111,151		
11	Other investments	13,541,604		
12				
13				
14	Current Assets	19,507,626		
15				
16	Deferred debits	13,242,236		
17				
18	Total Assets	\$ 545,477,126		
19				
20	CAPITAL AND LIABILITIES			
21	Common Stock	\$ 522,880		
22	Paid in capital	114,468,228		
23	Retained Earnings	(22,486,000)		
24				
25	Total common equity	\$ 92,505,108	\$ 14,832,022	39.9%
26				
27	Preferred stock	-		
28	Long term debt	198,757,395	\$ 22,340,965	60.1%
29				
30	Total capitalization	\$ 291,262,503	\$ 37,172,987	100%
31				
32				
33	Current liabilities	58,869,647		
34				
35				
36	Deferred credits	174,885,102		
37				
38	Contributions in aid of construction	20,459,874		
39				
40	Total capital and liabilities	\$ 545,477,126		
41				
42				

¹Allocated on basis of capital structure approved in Decision No. 67093: 60.1% debt and 39.9% equity

²Dec. 2005 results restated to reflect \$23.7m write-off of goodwill

³Does not reflect \$35m equity infusion of March 2006

Line No.	Description	[A]		[B]	
		Total Company Dec. 2005	Agua Fria Water Dec. 2005		
1	Operating Revenues				
2	Water Revenues	37,508,707	11,172,824		
3	Sewer Revenues	13,101,144	-		
4	Other Revenues	5,084,269	1,547,075		
5	Total Operating Revenues	55,694,120	12,719,899		
6					
7	Operating Expenses				
8	Total Maintenance & Operations Expense	33,627,505	6,876,337		
9	Depreciation & Amortization	14,695,301	3,170,970		
10	General Taxes	2,363,299	324,641		
11	Income Taxes	(1,898,318)	109,505		
12	Total Operating Expenses	48,787,787	10,481,452		
13					
14	Utility Operating Income	6,906,333	2,238,446		
15					
16	Other Income	3,509,992	441,727		
17					
18	Income Before Interest Charges	10,416,325	2,680,173		
19					
20	Interest Charges	9,576,936	2,056,035		
21					
22	Net Income	839,389	624,138		
23					
24	Corporate Division Allocator			21.78%	
25	Central Division Allocator			24.26%	
26					
27					
28					
29					
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35					

Line No.	Description	[A] Agua Fria Water Dec. 2005 Actual	[B] ADJ-1	[C] ADJ-2	[D] ADJ-3	[E] ADJ-4	[F] ADJ-5	[G] Agua Fria Water Dec. 2005 Adjusted
1	Operating Revenues							
2	Total Operating Revenues	12,719,899	-	-	-	-	-	12,719,899
3								
4	Operating Expenses							
5	Total Maintenance & Operations Expense	6,876,337	(16,498)	-	-	-	-	6,859,839
6	Depreciation & Amortization	3,170,970	-	(470,281)	-	-	-	2,700,689
7	General Taxes	324,641	-	-	-	-	-	324,641
8	Income Taxes	109,505	-	-	-	568,567	-	678,072
9	Total Operating Expenses	10,481,452	(16,498)	(470,281)	-	568,567	-	10,563,240
10								
11	Utility Operating Income	2,238,446	16,498	470,281	-	(568,567)	-	2,156,658
12								
13	Other Income	441,727	-	-	-	-	(441,727)	-
14								
15	Income Before Interest Charges	2,680,173	16,498	470,281	-	(568,567)	(441,727)	2,156,658
16								
17	Interest Charges	2,056,035	-	-	(978,019)	-	-	1,078,017
18								
19	Net Income	624,138	16,498	470,281	978,019	(568,567)	(441,727)	1,078,642
20								
21	Rate Base - O.C.L.D. (Sch. 7 Ln. 32 Col. D)	37,172,987						37,172,987
22								
23	Authorized ROR (Dec. 67093)	6.50%						6.50%
24								
25	Actual ROR (Ln. 11 + Ln. 21)	6.02%						5.80%
26								
27	Operating Margin (Ln. 11 + Ln. 2)	17.60%						16.95%
28								
29	Interest Coverage (Ln. 11 + Ln. 8 + Ln. 17)	1.14						2.63
30								
31	Allocated Equity (Sch. 1 Ln. 25 Col. C x Ln. 21)	14,832,022						14,832,022
32								
33	Authorized ROE (Dec. 67093)	9.00%						9.00%
34								
35	Actual ROE (Ln. 19 + Ln. 31)	4.21%						7.27%

Line No.		
1	<u>Adjust Rate Case expense to reflect authorized Rate Case expense</u>	
2		
3		
4	Authorized Rate Case expense (Dec. 67093)	\$ 24,436
5	Actual Rate Case expense	40,934
6		
7	Adjustment to Regulatory Expense	<u>\$ (16,498)</u>
8		
9	Adjustment to Revenues/Expenses	<u>\$ (16,498)</u>
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Line No.	Adjust Depreciation & Amortization expense to remove: amort. of UPAA, amort. of intangible asset, & amort. of regulatory CIAC	
1		
2		
3	Actual Depreciation & Amortization	\$ 3,170,970
4		
5	Remove: Depreciation on UPAA (Utility Plant Acquisition Adjustment)	(217,842)
6		
7	Remove: Amortization of intangible asset (related to Citizens premium)	(55,095)
8		
9	Remove: Amortization of regulatory CIAC	(197,344)
10		
11	Subtotal Removed	<u>\$ (470,281)</u>
12		
13	Adjusted Depreciation & Amortization	2,700,689
14		
15	Adjustment to Depreciation & Amortization	<u><u>\$ (470,281)</u></u>
16		
17	Adjustment to Revenues/Expenses	<u>\$ (470,281)</u>
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Line No.	Adjust Interest expense to reflect synchronized interest/remove interest on acquisition debt	
1		
2		
3		
4		
5	Actual Interest expense	\$ 2,056,035
6		
7	Rate Base - O.C.L.D.	37,172,987
8		
9	Weighted Cost of Debt (Dec. 67093)	2.90%
10		
11	Synchronized Interest/Adjusted Interest Expense	\$ 1,078,017
12		
13	Adjustment to Interest Expense	\$ (978,019)
14		
15	Adjustment to Revenues/Expenses	\$ (978,019)
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Line No.	Adjust Income Taxes to Reflect Other Adjustments	
1		
2		
3	Operating Income Before Inc. Taxes	\$ 2,834,730
4	Interest Expense	1,078,017
5	Arizona Taxable Income	1,756,713
6		
7	Less Arizona Income Tax	122,408
8	Arizona Income Tax Rate =	6.968%
9		
10	Federal Income Before Taxes	1,756,713
11	Less Arizona Income Taxes	122,408
12	Federal Taxable Income	1,634,305
13		
14	FEDERAL INCOME TAXES:	
15	15% BRACKET UP TO	7,500
16	25% BRACKET UP TO	6,250
17	34% BRACKET UP TO	8,500
18	39% BRACKET UP TO	91,650
19	34% BRACKET OVER	441,764
20		
21	Federal Income Taxes:	\$ 555,664
22		
23	Total Income Tax	\$ 678,072
24		
25	Actual State Income Taxes	\$ 20,341
26		
27	Adjustment to State Income Taxes	\$ 102,067
28		
29	Actual Federal Income Taxes	\$ 89,164
30		
31	Adjustment to Federal Income Taxes	\$ 466,499
32		
33	Total Adjustment to Income Tax expense	\$ 568,567
34		
35	Adjustment to Revenues/Expenses	\$ 568,567
36		

Line No.	
1	<u>Remove Other Income</u>
2	
3	
4	Total Other Income
5	Adjustment to Other Income
6	
7	Adjustment to Revenues/Expenses
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\$ 441,727

\$ (441,727)

Below the line.

Line No.	Description	Per Decision 67093	12 Months Ended Dec. 2005 Adjusted	Arsenic Treatment Plant Increase	Adjusted
1	Operating Revenues				
2	Total Operating Revenues	\$ 5,916,460	\$ 12,719,899	\$ 1,176,974	\$ 13,896,872
3					
4	Operating Expenses				
5	Total Maintenance & Operations Expense	2,950,869	6,859,839	-	6,859,839
6	Depreciation & Amortization	1,157,575	2,700,689	270,914	2,971,603
7	General Taxes	323,468	324,641	-	324,641
8	Income Taxes	401,131	678,072	349,726	1,027,798
9	Total Operating Expenses	4,833,043	10,563,240	620,641	11,183,881
10					
11	Utility Operating Income	1,083,417	2,156,658	556,333	2,712,991
12					
13	Rate Base O.C.L.D. (Sch. 7 Ln. 32)	\$ 16,665,182	\$ 37,172,987	\$ 8,558,951	\$ 45,731,939
14					
15	Authorized ROR (Dec. 67093)	6.50%	6.50%	6.50%	6.50%
16					
17	Actual ROR (Ln. 11 + Ln. 13)	6.50%	5.80%	6.50%	5.93%
18					
19	Operating Margin (Ln. 11 + Ln. 2)	18.31%	16.95%	47.27%	19.52%
20					
21	Interest Expense (synchronized interest)	\$ 483,290	\$ 1,078,017	\$ 248,210	\$ 1,326,226
22					
23	Interest Coverage (Ln. 11 + Ln. 8 + Ln. 21)	3.07	2.63	3.65	2.82
24					
25	Other Income and Deductions	-	-	-	-
26					
27	Allocated Equity (Sch. 1 Ln. 25 Col. C x Ln. 13)	\$ 6,649,408	\$ 14,832,022	\$ 3,415,022	\$ 18,247,044
28					
29	Authorized ROE (Dec. 67093)	9.00%	9.00%	9.00%	9.00%
30					
31	Actual ROE (Ln. 11 - Ln. 21 + Ln. 25 + Ln. 27)	9.00%	7.27%	9.00%	7.60%
32					
33	Corporate Division Allocator	21.78%	21.78%	21.78%	21.78%
34					
35	Central Division Corporate Allocator	24.26%	24.26%	24.26%	24.26%

Line No.		[A]	[B]	[C]
1	Arsenic Plant Revenue Requirement			
2	Arsenic Plant in Service/Rate Base	\$ 8,558,951		
3	Depreciation rate	3.17%		
4	Depreciation expense	270,914		
5	Depreciation expense net of tax savings ¹	166,345		
6	Recoverable O&M costs	-		
7	Recoverable O&M costs net of tax savings ¹	-		
8	Arsenic Operating Income	\$ (166,345)		
9	Rate of return	-1.94%		
10	Required Rate of Return ²	6.50%		
11	Required Operating Income	556,332		
12	Operating Income deficiency	722,677		
13	Gross revenue conversion factor ²	1.62863		
14	Revenue deficiency	<u>\$ 1,176,974</u>		
15				
16				
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20				
21				
22	Rates	Current Rates	Proposed	Total
23	Minimum 5/8" Meter	Per Dec.	ACRM	Proposed
24	Commodity Rate 0 to 4,000 gallons	67093	Surcharge	\$ 10.45
25	Commodity Rate 4,001 to 13,000 gallons	\$ 9.08	\$ 1.37	1.5398
26	Commodity Rate 13,001 gallons and over	1.3800	0.1598	2.2198
27		2.0600	0.1598	2.6468
28		2.4870		
29				
30				
31				
32				
33				
34	³ 38.5986 % tax rate per Dec. 67093			
35	² Decision no. 67093			

Arizona-American Water Company
Agua Fria Water District
Docket No. W-01303A-05-0280 et. al.
Period Ending December, 2005
Surcharge Calculation

Line No.	Growth	[A] Customers	[B] Total Gallons Sold	[C] Gallons Sold Per Cust.	[D] Minimum	[E] Minimum Multiples	[F] Equivalent Meters	[G] Monthly Fixed Increment	[H] Annual Total
1	Dec. 2004 (Year 1)	21,375	3,470,120	162.34	9.08	1.0	24,837	1.37	407,657
2	Dec. 2005 (Year 2)	26,514	3,894,380	146.88	9.08	1.0	-	1.37	-
3	Year 2 minus Year 1	5,139	424,260	(15)	9.08	1.0	47	1.37	772
4	Percentage Change	24.04%	12.23%	-9.53%	23.24	2.6	5,083	3.50	83,435
5	Avg Gallons (Col B Ln 1 + Col B Ln 2 + 2)		3,682,250		48.58	5.4	1,085	7.32	17,805
6					72.86	8.0	2,778	10.98	45,588
7					142.55	15.7	1,864	21.47	30,597
8					191.75	21.1	24	28.88	388
9					369.55	40.7	137	55.67	2,245
10					726.26	80.0	-	109.40	-
11							35,855		588,487
12	Meter Size								
13	Resid. 5/8-inch	22,172	27,503	24,837	9.08	1.0	24,837	1.37	407,657
14	Resid. 3/4-inch	42	52	47	9.08	1.0	-	1.37	-
15	Commerc. 5/8-inch	-	-	-	9.08	1.0	-	1.37	-
16	Commerc. 3/4-inch	1,773	2,199	1,986	23.24	2.6	5,083	3.50	83,435
17	1-inch	181	225	203	48.58	5.4	1,085	7.32	17,805
18	1.5-inch	309	383	346	72.86	8.0	2,778	10.98	45,588
19	2-inch	106	131	119	142.55	15.7	1,864	21.47	30,597
20	3-inch	1	1	1	191.75	21.1	24	28.88	388
21	4-inch	3	4	3	369.55	40.7	137	55.67	2,245
22	6-inch	-	-	-	726.26	80.0	-	109.40	-
23	8-inch	-	-	-			-		
24	Total	24,587	30,498	27,543			35,855		588,487
25									
26									
27									
28									
29									
30									
31									
32	Calculation of Surcharge				Minimum Surcharge		Commodity Surcharge		
33	Total costs to be recovered (Sch. 5 Col A Ln 13)	\$	1,176,974	\$	588,487		\$	588,487	
34	Minimum Revenue (Col B Ln 33 + 2)								
35	Commodity Revenue (Col B Ln 33 + 2)								
36									
37	Monthly Increment Per Equivalent Meter								
38	Equivalent Meters (Col F Ln 29 x 12 Months)			430,257					
39									
40	Minimum Surcharge (Ln 34 + Ln 38)			\$	1.37				
41									
42	Average Gallons (Col B Ln 5)								
43									
44	Commodity Surcharge (Ln 35 + Ln 42)						\$	0.1598	

LINE NO.	[A] Per Decision 67093	[B] Arsenic Treatment Plant Increase	[C] Decision Plus Arsenic Treatment Plant	[D] Actual Balance Dec. 2005	[E] Arsenic Treatment Plant Increase	[F] Actual Balance Plus Arsenic Trmt. Plant
1	Utility Plant					
2	Gross Utility Plant in Service	\$ 51,062,107	\$ 51,062,107	\$ 141,158,689		\$ 141,158,689
3	Accumulated Depreciation	(5,020,828)	(5,020,828)	(13,175,897)		(13,175,897)
4	Arsenic Removal Facilities	-	8,558,951		8,558,951	8,558,951
5	Accumulated Depreciation of Arsenic Plant	-	-		-	-
6						
7	Net Utility Plant in Service	\$ 46,041,279	\$ 8,558,951	\$ 127,982,791	\$ 8,558,951	\$ 136,541,742
8						
9	Deductions					
10	Advances in Aid of Construction	-	-	70,411,837		70,411,837
11	Imputed Regulatory Advances	27,385,370	27,385,370	27,385,370		27,385,370
12	Accum. Amortization of Regulatory AIAC	-	-	(16,852,535)		(16,852,535)
13	Contributions in Aid of Construction	-	-	8,551,263		8,551,263
14	Accum. Amortization of CIAC	-	-	(363,170)		(363,170)
15	Imputed Regulatory Contributions	1,973,438	1,973,438	1,973,438		1,973,438
16	Accum. Amortization of Regulatory CIAC	-	-	(789,375)		(789,375)
17						
18						
19	Customer Meter Deposits	17,289	17,289	31,749		31,749
20	Deferred Income Taxes & Investment Tax Credits	-	-	461,227		461,227
21						
22	Total Deductions	\$ 29,376,097	\$ -	\$ 90,809,804	\$ -	\$ 90,809,804
23						
24	Additions					
25	Unamortized Finance Charges	-	-	-		-
26	Deferred Tax Assets	-	-	-		-
27	Allowance for Working Capital	-	-	-		-
28	Utility Plant Acquisition Adjustment	-	-	-		-
29						
30	Total Additions	\$ -	\$ -	\$ -	\$ -	\$ -
31						
32	Total Rate Base	\$ 16,665,182	\$ 8,558,951	\$ 37,172,987	\$ 8,558,951	\$ 45,731,939
33						
34						
35						

Arizona American Water Company
Agua Fria Water District
Docket No. W-01303A-05-0280, et.al.
CWIP Ledger

CWIP Ledger Summary

Line No.	YEAR	Period / Month		FACILITY	Work Order / Subledger		105110 - History		105125 - Permits	105150 - M&S	105175 - Prof Svc - Infrstr	105200 - Co. Labor	105250 - Labor Overhead	105280 - Overhead	105275 - Svc. Co. Charges	105280 - Contracted Services	105280 - Retainage Bids	105350 - AFUDC Debt	105375 - AFUDC Equity	Total	Adjust AFUDC Debt	Adjust AFUDC Equity	Adjust 105280 Overhead	Adjusted Total
		(GLPN)	(GLSL)		(GLSL)	(GLSL)	Actuals	History	Bids															
1	2003	1 AF WP1	50028302																	7,466				7,466
2		4 AF WP1	50028302																	3,712				3,712
3		5 AF WP1	50028302																	3,196			(17)	3,196
4		6 AF WP1	50028302																	4,520			(9)	4,520
5		7 AF WP1	50028302																	2,150			(315)	2,150
6		8 AF WP1	50028302																	6,820			(9)	6,820
7		9 AF WP1	50028302																	0			0	0
8		10 AF WP1	50028302																	5,815			(6)	5,815
9		11 AF WP1	50028302																	7,240			(380)	7,240
10		12 AF WP1	50028302																	251			(1)	251
11	2003 Total																			42,214				42,214
12		1 AF WP1	50028302																	17,773				17,773
13		5 AF WP1	50066419																	10,772				10,772
14		2 AF WP1	50028302																	8,743				8,743
15		3 AF WP1	50051116																	314,222				314,222
16		4 AF WP1	50028302																	10,415				10,415
17		5 AF WP1	50028302																	307,111				307,111
18		6 AF WP1	50051116																	360,463				360,463
19		7 AF WP1	50028302																	1,749,649				1,749,649
20		8 AF WP1	50028302																	14,432				14,432
21		9 AF WP1	50051116																	43,352				43,352
22		10 AF WP1	50028302																	110,649				110,649
23		11 AF WP1	50051116																	124,272				124,272
24		12 AF WP1	50067913																	3,670,125				3,670,125
25																				43,679				43,679
26																				14,314				14,314
27																				15,000				15,000
28																				195,980				195,980
29																				102,181				102,181
30																				68,875				68,875
31																								
32																								
33																								
34																								
35																								
36																								
37																								
38																								
39																								
40																								
41																								
42	2004 Total																							
43		1 AF WP1	50028302																	115,901				115,901
44		50051116																		125,081				125,081
45		50066419																		51,731				51,731
46		50067913																		72,957				72,957
47		50072320																		253,192				253,192
48		50072321																		124,863				124,863
49																				3,670,125				3,670,125
50																				43,753				43,753
																				12,200				12,200
																				14,407				14,407
																				15,000				15,000
																				195,980				195,980
																				102,181				102,181
																				68,875				68,875

CWIP Ledger Summary

CWIP Acct. (GLOBJ)

Line No.	YEAR	Month (GLPN)	FACILITY	Work Order / Subledger (GSLB)	105110 - History	105125 - Permits Bldgs	105150 - M&S	105175 - Prof Svc - Infrastr	105200 - Co. Labor	105250 - Labor Overhead	105280 - Retainage Bldgs	105350 - AFUDC Debt	105375 - AFUDC Equity	Total
1	2005		1 AF WP2	50072338					44	35	7,241			13,000
2			AF WP5	50066419							16,933			19,872
3				50072462							8,555			13,000
4				50072463							75,898			75,898
5			2 AF WP1	50028302			6,089		261	142	184	845	1,565	4,595
6				50051116					409	242	114			(3,670,125)
7				50066419							(27,765)			(25,321)
8				50067913							1,175			1,175
9				50072321							108,732			108,732
10			AF WP2	50067913			6,000		293	160	(6,000)	139	257	770
11				50072338							91,926			91,926
12			AF WP5	50066419			6,000		327	166	21,765	86	165	68,815
13				50072463							28,524			28,524
14			3 AF WP1	50028302					702	394	45,365	85	117	48,545
15				50066419							-	865	1,803	4,943
16				50067913										1,001
17				50072321							37,071			1,072
18			AF WP2	50067913				1,757	799	446		281	520	2,557
19				50072338							33	184	303	1,745
20			AF WP5	50072338					409	237	51	180	333	39,780
21				50066419							5,235	145	269	6,346
22				50072462							43,071			43,071
23			4 AF WP1	50028302			2,025		982	553	(2,025)	127	236	1,161
24				50066419							78	926	1,716	7,414
25				50067913							3,158			3,444
26				50072320							3,444			3,236
27				50072321							597	95	177	869
28			AF WP2	50067908							285,085	285	528	288,670
29				50067913							186,395			186,395
30			AF WP5	50072338			1,575		982	553	3,174	218	404	6,952
31				50072462							622	280	520	1,422
32				50066419					579	336	117	202	373	20,310
33				50072462							693	111	205	1,009
34			5 AF WP1	50028302			905		287	155	158	129	240	135,535
35				50066419							(905)	945	1,751	4,417
36				50067913										2,995
37				50072320					337	180	30,089	97	179	1,448
38				50072321							6,240	1,029	1,907	29,383
39			AF WP2	50067908							4,028	480	890	5,397
40				50067913					388	209	27,214	239	442	29,470
41				50072338							26,277	283	525	25,789
42			AF WP5	50066419					186	101	29,026	239	443	30,505
43				50072462							118,415	112	208	110,036
44				50072463							55,711	480	889	60,016
45			6 AF WP1	50028302					236	117	56,114	880	1,815	61,700
46				50066419										88,131
47				50067913					(287)	(134)		(220)	(409)	3,540
48				50072320							(21,100)	754	326	(33,893)
49											(22,737)			(21,285)
50														

Adjust AFUDC Debt	Adjust AFUDC Equity	Adjust 105280 Overhead	Adjusted Total
(44)	(571)	(184)	13,000
(7)	(94)	(77)	19,872
(8)	(101)		13,000
(5)	(60)		75,898
(7)	(87)		3,795
(3)	(43)		(3,670,125)
(45)	(585)	(71)	1,175
			108,027
			770
			68,815
			28,524
			48,499
			4,242
			1,001
			37,071
(15)	(190)	(1,757)	596
(9)	(111)	(33)	1,583
(9)	(122)	(1,125)	38,524
(8)	(98)	(51)	6,189
(7)	(86)	(78)	43,071
(48)	(626)	(76)	6,660
			3,444
(5)	(15)	(587)	202
(15)	(193)	(13)	288,670
(11)	(148)	(45)	186,395
(15)	(190)	(622)	6,748
(11)	(137)	(117)	596
(6)	(75)	(893)	20,045
(7)	(67)	(156)	235
(49)	(639)		135,535
			5,370
			2,995
(5)	(65)	(6)	1,448
(54)	(696)	(6,240)	29,383
(25)	(325)	(4,028)	2,187
(12)	(161)	(219)	1,021
(15)	(192)	(17)	29,077
(12)	(162)	(511)	25,565
(6)	(76)	(7)	29,821
(25)	(324)	(2,538)	109,947
(51)	(663)	64	56,730
			61,050
			88,131
11	149	3,144	3,540
(9)	(119)	(196)	(30,589)
			(21,000)
			(22,737)
			(21,285)

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CWIP Ledger Summary			CWIP Acct. (GLOB.)										Adjust																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
Line No.	YEAR	Month (GLPN)	FACILITY (GLPN)	Work Order / Suborder (GLSBL)	105050 - Actuals (364,071)		105110 - History		105125 - Permits Bldgs		105150 - M&S		105175 - Prof Svc - Infrstr		105200 - Co Labor		105250 - Labor Overhead		105280 - Overhead		105270 - Svc Co. Charges		105275 - Contracted Services		105280 - Retainage Bldgs		105350 - AFUDC Debt		105375 - AFUDC Equity		Total (364,071)	Adjust AFUDC Debt	Adjust AFUDC Equity	Adjust 105280 Overhead	Adjusted Total (364,071)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													

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CWIP Ledger Summary

Line	YEAR	Month	Period / (GLPN)	FACILITY	Work Order / Subledger (GLSBL)	105125 - Permits	105150 - M&S	105175 - Prof Svc - Infrast	105200 - Co. Labor	105250 - Labor	105280 - Overhead	105270 - Svc. Co. Charges	105275 - Contracted Services	105280 - Retainage Bldgs	105350 - AFUDC Debt	105375 - AFUDC Equity	Total	Adjust AFUDC Debt	Adjust AFUDC Equity	Adjust 105280 Overhead	Adjusted Total
1	2008			3 AF WP2	50067908		243		2,733	2,140	1,135	26,959	26,959				28,079			(1,120)	26,959
2					50067913						1,135						25,355			(1,135)	24,220
3					50072338						(46)						31,488			46	31,534
4					50072346						5						(25,873)			(5)	(25,878)
5				AF WP5	50063558								377,500				377,500				377,500
6					50065515												(89,994)			(89,994)	
7					50068419		73		563	474	547		30,573		984	1,823	35,036	(51)	(665)	(547)	33,772
8					50070655				216	168					120	222	(987)	(6)	(81)	(9)	33,772
9					50070660						110				1,410	2,613	(70,887)	(74)	(654)	(110)	(72,005)
10					50072462						732		25,020	6,258	1,388	2,572	36,010	(72)	(938)	(732)	34,266
11					50072463						158		84,844		2,051	3,801	30,781	(107)	(1,388)	(158)	28,128
12					50072467						5				68	127	202	(4)	(47)	(5)	146
13				4 AF WP1	50062502				867	680	1,481		9,065				12,094			(1,481)	10,612
14					50067913						1,037						1,037			(1,037)	-
15					50072320						3,315		23,485	4,325			31,134			(3,315)	27,819
16					50072321						3,401		106,733				112,134			(3,401)	106,733
17				AF WP2	50072324						3						3			(3)	-
18					50065314												(28,743)				(28,743)
19					50067908						1,454		69,626				71,080			(1,454)	69,626
20					50067913				1,396	1,117	631		12,778	2,642			15,922			(631)	15,291
21					50072338						1,696		(1,051)				3,287			(1,696)	1,591
22					50072346						3						3			(3)	-
23				AF WP5	50065315												(150,555)				(150,555)
24					50068419				1,728	1,412	800		26,693				30,634			(800)	29,834
25					50070655				711	580	(30)						1,262			30	1,292
26					50070660						60						60			(60)	-
27					50072462						1,541		60,147	24,470			86,157			(1,541)	84,616
28					50072463						1,165		385,715				386,880			(1,165)	385,715
29					50072467						10						10			(10)	-
30	2006 Total					0	495	2,800	17,244	13,778	34,988	44,524	2,751,704	81,965	42,588	78,912	1,233,318	(5,866)	(76,078)	(180,723)	8,558,951
31	Total					0	50,227	2,800	37,085	24,518	180,723	277,358	7,878,062	243,594	113,843	210,845	8,821,618				

CWIP Account

Summary	Work Order / Subledger (GLSBL)	105050 - Accruals	105110 - History	105125 - Permits Bldgs	105150 - M&S	105175 - Prof Svc - Infrast	105200 - Co. Labor	105250 - Labor Overhead	105280 - Overhead	105270 - Svc. Co. Charges	105275 - Contracted Services	105280 - Retainage Bldgs	105350 - AFUDC Debt	105375 - AFUDC Equity	Total
36	AF Arsenic - Engineering & Design	-	-	905	10,527	1,400	11,350	6,842	18,690	181,506	454,575	20,790	38,522	745,108	
37	AF WP5 Arsenic - Engineering	-	-	-	6,573	-	6,257	4,353	11,345	42,503	336,271	7,588	14,062	428,953	
38	AF WP5 Arsenic - Engineering	-	-	-	-	-	-	-	18,473	-	1,249,523	11,374	21,076	1,300,447	
39	320 - AF WP2 Water Treatment Equip.	-	-	-	-	-	-	-	15,712	53,348	391,363	7,485	13,832	517,959	
40	AF WP2 Arsenic - Engineering	-	-	1,058	7,986	1,400	15,135	10,659	15,712	-	35,740	1,114	2,063	47,226	
41	AF WP5 Arsenic - Engineering	-	-	500	-	-	4,008	2,484	-	-	441,000	49,000	8,841	16,381	531,086
42	331.2 - AF WP5 8-in. Trunk Line	-	-	-	-	-	-	-	15,884	-	441,000	74,903	13,033	842,722	
43	304.3 AF WP1 Structures & Improv.	-	-	-	-	-	337	180	19,252	727,983	1,778,825	19,385	35,920	1,863,949	
44	320 - AF WP1 Water Treatment Equip.	-	-	-	-	-	-	-	31,820	258	26,142	170	315	26,886	
45	346 - AF WP1 Communication Equip.	-	-	-	-	-	-	-	258	500,513	57,131	7,447	13,799	594,333	
46	346 - AF WP2 Structures & Improv.	-	-	-	-	-	-	-	15,443	167	310	735	-	-	
47	346 - AF WP2 Communication Equip	-	-	-	-	-	-	-	257	577,621	62,560	9,778	18,119	685,353	
48	304.3 AF WP5 Structures & Improv.	-	-	-	-	-	-	-	17,304	1,198,565	12,418	23,009	1,209,651	-	
49	320 - AF WP5 Water Treatment Equip.	-	-	-	-	-	-	-	14,719	-	-	-	-	-	
50	346 - AF WP5 Communication Equip	-	-	-	25,141	2,800	37,085	24,518	180,723	277,358	7,878,062	243,594	113,843	8,821,618	
51	Total	-	-	2,463	50,227	2,800	37,085	24,518	180,723	277,358	7,878,062	243,594	113,843	270,941	8,821,618
</															

Line No.	District	Plant In Service	General Metered Customers	Salaries & Wages	Direct O&M (Excluding Labor)	4-Factor Allocation (Corp.)	4-Factor Allocation Cent. Div.)	4-Factor Allocation (W. Div.)
1		\$		\$	\$			
2	Sun City Wastewater	15,333,510	22,039	60,277	2,153,428			
3	Az. Corp. Allocation	0.0375	0.1584	0.0153	0.1802	0.0978		
4	District Allocation	0.0396	0.1819	0.0188	0.1951		0.1089	
5	Sun City West Wastewater	23,427,251	14,931	126,248	178,943			
6	Az. Corp. Allocation	0.0573	0.1073	0.0320	0.0150	0.0529		
7	District Allocation	0.0606	0.1232	0.0395	0.0162		0.0599	
8	Mohave Wastewater	2,556,852	1,054	80,042	208,255			
9	Az. Corp. Allocation	0.0063	0.0076	0.0203	0.0174	0.0129		0.1274
10	District Allocation	0.1155	0.0587	0.1074	0.2279			
11	Disco/Treatco Sewer	72,630,669	7,305	320,383	376,643			
12	Az. Corp. Allocation	0.1776	0.0525	0.0812	0.0315	0.0857	0.0956	
13	District Allocation	0.1878	0.0603	0.1001	0.0341			
14	Sun City Water	26,710,723	23,011	852,712	2,077,385			
15	Az. Corp. Allocation	0.0653	0.1654	0.2162	0.1738	0.1552	0.1784	
16	District Allocation	0.0691	0.1899	0.2665	0.1882			
17	Sun City West Water	24,399,382	15,366	355,076	655,488			
18	Az. Corp. Allocation	0.0597	0.1105	0.0900	0.0548	0.0787	0.0901	
19	District Allocation	0.0631	0.1268	0.1110	0.0594			
20	Tubac Water	2,023,820	514	47,312	62,765			
21	Az. Corp. Allocation	0.0049	0.0037	0.0120	0.0053	0.0065	0.0075	
22	District Allocation	0.0052	0.0042	0.0148	0.0057			
23	Mohave Water	15,464,012	15,427	549,981	571,241	0.0840		0.7301
24	Az. Corp. Allocation	0.0378	0.1109	0.1394	0.0478			
25	District Allocation	0.6986	0.8587	0.7378	0.6253			
26	Havasui Water	4,114,623	1,485	115,391	134,105			
27	Az. Corp. Allocation	0.0101	0.0107	0.0293	0.0112	0.0153		0.1425
28	District Allocation	0.1859	0.0827	0.1548	0.1468			
29	Agua Fria Water	127,637,736	26,514	587,689	2,624,775	0.2178	0.2426	
30	Az. Corp. Allocation	0.3121	0.1906	0.1490	0.2196			
31	District Allocation	0.3300	0.2188	0.1837	0.2378			
32	Disco/Treatco Water	72,180,580	6,755	393,633	1,502,667	0.1126	0.1254	
33	Az. Corp. Allocation	0.1765	0.0486	0.0998	0.1257			
34	District Allocation	0.1866	0.0558	0.1230	0.1361			
35	Paradise Valley Water	22,464,939	4,719	456,081	1,407,070			
36	Az. Corp. Allocation	0.0549	0.0339	0.1156	0.1177	0.0805	0.0918	
37	District Allocation	0.0581	0.0390	0.1426	0.1275			
38	Total Company	408,944,097	139,120	3,944,825	11,952,765			
39	Central Division Corp.	386,808,610	121,154	3,199,411	11,039,164			
40	Western Division Corp.	22,135,487	17,966	745,414	913,601			

Line No.	[A] Gallons Consumption	[B] Present Rates	[C] Proposed Rates	[D] Percent Increase
1	-	\$ 9.08	\$ 10.45	15.1%
2	1,000	\$ 10.46	\$ 11.99	14.6%
3	2,000	\$ 11.84	\$ 13.53	14.3%
4	3,000	\$ 13.22	\$ 15.07	14.0%
5	4,000	\$ 14.60	\$ 16.61	13.7%
6	5,000	\$ 16.66	\$ 18.83	13.0%
7	6,000	\$ 18.72	\$ 21.05	12.4%
8	7,000	\$ 20.78	\$ 23.27	12.0%
9	8,000	\$ 22.84	\$ 25.49	11.6%
10	9,000	\$ 24.90	\$ 27.71	11.3%
11	10,000	\$ 26.96	\$ 29.93	11.0%
12	11,000	\$ 29.02	\$ 32.15	10.8%
13	12,000	\$ 31.08	\$ 34.37	10.6%
14	13,000	\$ 33.14	\$ 36.59	10.4%
15	14,000	\$ 35.63	\$ 39.23	10.1%
16	15,000	\$ 38.11	\$ 41.88	9.9%
17	16,000	\$ 40.60	\$ 44.53	9.7%
18	17,000	\$ 43.09	\$ 47.17	9.5%
19	18,000	\$ 45.58	\$ 49.82	9.3%
20	19,000	\$ 48.06	\$ 52.47	9.2%
21	20,000	\$ 50.55	\$ 55.11	9.0%
22	21,000	\$ 53.04	\$ 57.76	8.9%
23	22,000	\$ 55.52	\$ 60.41	8.8%
24	23,000	\$ 58.01	\$ 63.05	8.7%
25	24,000	\$ 60.50	\$ 65.70	8.6%
26	25,000	\$ 62.98	\$ 68.35	8.5%
27				
28				
29				
30	Average Residential Consumption (1,000 Gal)	8.52		
31	Average Residential Bill	\$ 23.91	\$ 26.64	11.4%
32				
33	Monthly Minimum Rate	\$ 9.08	\$ 10.45	15.1%
34	Commodity Rate 0 to 4,000 gallons	1.380	1.5398	11.6%
35	Commodity Rate 4,001 to 13,000 gallons	2.060	2.2198	7.8%
36	Commodity Rate 13,001 gallons and over	2.487	2.6468	6.4%